

**FAIR GO RATES SYSTEM
ENGAGEMENT TECHNICAL WORKING GROUP**

Notes from the second meeting

30 June 2016

Attendees:

Name	Organisation
Andrew Chow	Essential Services Commission
Angelina Garces	Essential Services Commission
Lisa Horsburgh	Essential Services Commission
Malcolm Lewis	Baw Baw Shire Council
Joel Farrell	Hume City Council
Mark Ritch	IAP2
Kathy Jones	KJA (Independent Facilitator)
Kim Rawlings (via phone)	Knox City Council
Edith Heiberg	Latrobe City Council
Desley Renton	Melbourne City Council
Rosemary Scott	Mitchell Shire Council
Ross Goeman	Monash City Council
Vicky Mason	Mount Alexander Shire Council
Owen Harvey-Beavis	Municipal Association Victoria
David Woodhams (via phone)	Strathbogie Shire Council
Dr Sarah Ewing	Victorian Local Governance Association
Ray Campling (via phone)	Yarriambiack Shire Council

Apologies:

Name	Organisation
Laura Potter	City of Greater Geelong
Kathy Pryor	Local Government Victoria
Juanita Haisman	Manningham City Council
Owen Harvey Beavis	Municipal Association of Victoria
Jenny McMahon	Wyndham City Council

The ESC has formed an Engagement Technical Working Group. The purpose of this group is for the ESC to have input from council professionals into its engagement guidance material and, conversely, to provide feedback to councils about the decisions and actions that the ESC has made in the context of councils' engagement programs. The attached meeting notes are a reflection of the themes of these discussions undertaken at the meeting between the ETWG and the ESC on 30 June 2016.

Purpose of meeting

- To discuss Essential Services Commission's (the Commission) decisions in the first round of applications for a higher cap, particularly around the councils' efforts in community engagement.
- To identify areas where the Commission's guidance material for councils for the rating year 2017-18 should be updated and refined.
- To understand any further issues and opportunities for Councils and the Commission in the subsequent years of the FGRS.

Issues raised around FGRS implementation and applications for a higher cap for 2016-17

- Assistance may be needed for long term financial planning
- Balancing short term needs vs. long term plans
- Costs of engagement to develop and maintain a long term financial plan
- Need for clarity and guidance to develop long term financial plans
- Focus on the legislative objectives of the rate cap in explanations
- Engagement by councils on their long term financial plans need to run in tandem (full integration at the front end)
- Engagement with ratepayers is no longer just about “more and better” but increasingly on better information about trade-offs; this is expected to be a big change
- Councils’ prioritisation processes need to take into account how community views have influenced them
- Councils need to encourage people to join the discussion without scaring them

Suggested guidance material updates

There was a discussion around what should be included in the revised Guidance material for Councils for future applications. The points from this discussion included:

1. Important contextual information to acknowledge:
 - In reviewing the applications, the Commission takes a balanced approach across the five legislative matters
 - That the 2017-18 rating year is again a “messy year” with council elections and property re-evaluations. While these events occur every four / two years, it is expected that following the transition, councils should be able to anticipate and plan accordingly over the longer term.
 - That different councils are in different parts of the journey and we need to be mindful of what change may occur as part of the LG Act Review
 - The Commission expects any engagement requirements under the FGRS to be integrated into councils’ existing processes. This would therefore minimise any additional .
 - Engagement around increased rates has political risks and difficulties for councils
2. Guidance for Councils to ensure that:
 - Applications for a higher cap (applications) demonstrate the long term financial needs of Councils
 - Applications address the long term interests of the community
 - It is understood that community engagement around the long term financial future of councils is a journey
 - It is expected that Councils have the capacity to respond to short-term issues whilst looking at the strategy to address longer-term needs as part of councils’ proposals for a higher cap.
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 - Service needs, and the infrastructure and assets required to deliver these services at an appropriate standard, inform councils’ long term plans
 - There is a focus on FGRS legislative outcomes
3. Specific items for inclusion:
 - Outline opportunities that this new financial cycle brings:
 - Distinguish between different scenarios, for example, between election and revaluation years and “normal” years
 - Show how to use this as an opportunity for change, for example, front-end engagement feeding into the development of a four year council plan
 - Requirements for multi-year applications
 - Explain the tools that are needed for the councils to take control of their narrative
 - Evidence matrix – what type of evidence is needed
 - An example of a decision framework for a councils to demonstrate, for example, what was taken into account, how the decision was made, what trade-offs were considered
 - Case studies (x2)

- Top 10 tips

Other matters

- Timing of ETWG meetings and schedule:
 - The group was asked if the timing of ETWG meetings was ok (4.30-6pm on Thursday). It was suggested that an earlier time in the afternoon would be more suitable for those travelling longer distances. The next meeting was set for 3.00pm – 4.30pm on Thursday, 8 September 2016.

Actions

Task	Person responsible	Timing
Distribute: <ul style="list-style-type: none"> • slides from this ETWG meeting • handout from this ETWG meeting • notes from the discussion at this ETWG meeting • links to current guidance materials for Councils • Council of Dandenong minutes 	Lisa Horsburgh (ESC)	Mid-July
Think about questions for the Community Satisfaction Survey that might be relevant to the implementation of the FGRS (e.g. to measure perceptions about need for trade-offs) and send these through by email (via localgovernment@esc.vic.gov.au)	All ETWG members	Monday, 25 July 2016
Response to timing issue for 2017: <ul style="list-style-type: none"> • Delay Council Plan delivery and do an interim budget? • Continue as is? by email (via localgovernment@esc.vic.gov.au)	All ETWG members	Monday, 25 July 2016
All to review current guidance material and provide feedback to the Commission by email (via localgovernment@esc.vic.gov.au)	All ETWG members	Monday, 25 July 2016
Any comments on the draft meeting notes by email (via localgovernment@esc.vic.gov.au)	All ETWG members who attended the second meeting	Monday, 25 July 2016
Agenda for next meeting (3.00pm – 4.30pm on Thursday September 8): <ul style="list-style-type: none"> • Redrafted guidance material • Findings from regional workshops 	All ETWG members	Prior to the next meeting
Distribute draft revised guidance material for councils	Lisa Horsburgh (ESC)	Prior to the next meeting
Guidance Material revised for distribution in September	The Commission	September